

Message Text

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PAGE 01 STOCKH 02942 131626Z
ACTION EB-07

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-07 NEA-10 ISO-00
SSO-00 NSCE-00 INRE-00 USIE-00 PA-01 PRS-01
ERDA-05 AID-05 CEA-01 CIAE-00 COME-00 EPG-02
DODE-00 FEAЕ-00 FPC-01 H-01 INR-07 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-04 OES-07 SP-02 SS-15
STR-04 TRSE-00 ACDA-07 IO-13 OIC-02 ERDE-00 /149 W
-----038097 131654Z/41

O R 131512Z JUL 77
FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC IMMEDIATE 1063

INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY ANKARA
AMEMBASSY ATHENS
USINT BAGHDAD
AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CANBERRA
AMEMBASSY CARACAS
AMEMBASSY COPENHAGEN
AMEMBASSY DOHA
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
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AMEMBASSY QUITO
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY TRIPOLI
AMEMBASSY TOKYO
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON

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USEEC
USOECD

E.O. 11652: N/A
TAGS: ENRG, OPEC, SW
SUBJ: OPEC MEETING CONCLUDED WITHOUT DECISIONS OF IMPORTANCE

REF: STOCKHOLM 2922

1. 49TH OPEC CONFERENCE IN STOCKHOLM WAS CONCLUDED AFTER MORNING SESSION ON WEDNESDAY, JULY 13, A DAY OR SO AHEAD OF SCHEDULE. THE CONFERENCE (FIRST SUCH TO BE HELD OUTSIDE OPEC CAPITALS AND THE VIENNA HEADQUARTERS) WAS BRIEF AND UNEVENTFUL, WITH A SHOW OF MUTUAL FRIENDSHIP AND HARMONY. THIS, PERHAPS, WAS ITS OUTWARD OBJECTIVE.

2. ACCORDING TO PRESS CONTACT WHO WAS ABLE TO HAVE A FEW MINUTES WITH SAUDI OIL MINISTER YAMANI, PRICE DIFFERENTIALS WERE THE ONLY REAL ISSUE DISCUSSED. YAMANI REPORTEDLY WAS INSISTING ON A KUWAITI CUT IN PRICE OF HEAVY GULF CRUDES, AND OTHERS HAD THEIR OWN VERSIONS OF ADJUSTMENT IN EXISTING DIFFERENTIALS. DECISION POSTPONED, AS WAS QUESTION OF SYRIAN, LIMITED OFFICIAL USE

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ANGOLAN AND CONGO-BRAZZAVILLE MEMBERSHIP. YAMANI ALSO REPORTEDLY CONFIRMED EARLIER REPORTS WE HAVE SEEN TO EFFECT THAT SAUDIS HAVE AGREED TO RETURN TO OLD PRODUCTION CEILING OF 8.5 MILLION BARRELS PER DAY (WITH SPECIFIC DEALS, SUCH AS A 200,000 BARREL PER DAY AGREEMENT WITH ROYAL DUTCH SHELL, EXEMPTED FROM THE CEILING).

3. SAME CONTACT WAS MOST IMPRESSED AT EVIDENCE OF MODERATION ON PART OF FORMER OPEC HAWKS: IRAN, IRAQ AND LIBYA. AMOUZEGAR SEEMED TO BE AGREEING WITH YAMANI THAT NO PRICE INCREASE COULD BE EXPECTED IN 1978. SAME SOURCE HAD RECENTLY DISCUSSED OIL DEMAND WITH AMOUZEGAR AND STAFF IN TEHRAN AND LATTER WERE CONVINCED THAT OIL DEMAND WOULD REMAIN TOO SOFT WITHIN 18 TO 24 MONTH PERIOD TO JUSTIFY PRICE INCREASES. AMOUZEGAR THINKS DEMAND IS NOT THAT SOFT, AND WILL RECOVER FASTER, BUT HAS CLEARLY MODIFIED HIS AIMS, ACCORDING TO SOURCE. SAME REPORTER SAID THAT LIBYANS AND IRAQIS HAVE BEEN TALKING ABOUT TEN PERCENT INCREASE FOR 1978. AS A POINT OF DEPARTURE FOR BARGAINING, THIS WOULD APPEAR TO BE MUCH LESS DEMANDING THAN WE MIGHT HAVE EXPECTED.

4. CONTACT WAS ALSO IMPRESSED BY EVIDENCE THAT SAUDIS HAVE NOT

LOST, AND MAY EVEN HAVE GAINED, IN STATURE AS A RESULT OF EFFORTS TO HOLD DOWN PRICE. HE HAD EXPECTED IN ASSESSING LAST SIX MONTHS THAT EVIDENT FAILURES TO EXPAND PRODUCTION SIGNIFICANTLY AND THUS CONTROL PRICES WAS SIGN SAUDIS HAD OVERREACHED THEMSELVES. IRANIAN DELEGATE TOLD HIM SENSE OF CONFERENCE WAS THAT SAUDI INFLUENCE MAY HAVE INCREASED. IRANIANS HAVE, FOR EXAMPLE, ABANDONED SOME EARLIER THOUGHTS THAT BY CUTTING PRODUCTION BY ONE TO 1.5 MILLION BARRELS PER DAY THEY THEMSELVES COULD DICTATE PRICE. HERNANDEZ, OF VENEZUELA, REPORTEDLY SAID SAUDIS AND IRANIANS ARE NOW CLEARLY MOST INFLUENTIAL OPEC MEMBERS IN TERMS OF POLICY MAKING.

5. ANOTHER SOURCE TOLD US IT WAS CLEAR AT CONFERENCE THAT ALL SIDES WERE FEELING QUITE BRUISED AFTER SIX MONTHS OF TWO-TIER LIMITED OFFICIAL USE

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SYSTEM AND WERE MAINLY INTERESTED IN POURING BALM.

6. NEXT MEETING (DECEMBER) WILL TAKE PLACE IN CARACAS,
ACCORDING TO OPEC PRESS RELEASE.

PERRY

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, MEETINGS, INTERNATIONAL ORGANIZATIONS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation Codes:
Litigation History:
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Message ID: ad40d76b-c288-dd11-92da-001cc4696bcc
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Secure: OPEN
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